

ADVANCE EASTERN EUROPE class A

Investment Objective

The goal of the fund is to ensure high investment results in the long-term by investing in Eastern European equities in 7 regional markets.

*This is marketing material

31 March 2024



Fund Manager's Comment

Global equities posted gains for a fifth consecutive month, with risk appetite remaining surprisingly resilient against the backdrop of revised market expectations for the trajectory of Fed monetary policy. MSCI World rose 3.2%, while the MSCI EM added 2.4%. Although the performance of the regional MSCI EFM Europe + CIS was lagging in March (+1.0%), the index was the second-best performer in Q1 (+8.6%).

The Greek ASE was slightly lower (-0.2%) amid mixed sectoral performance. Bank profits for 4Q23 exceeded analyst estimates by an average of 23%, with all four financial institutions seeking to pay dividends for the first time since 2008 at payout ranging from 15% to 25%. However, bank stocks came under pressure following a nearly six-month rally. The effect of profit-taking by some investors was likely exacerbated by concerns that the Single Supervisory Mechanism (SSM) would approve lower dividend payouts for the four systemic Greek banks.

The Turkish BIST 100 lost momentum in March. After three failed breakout attempts of February's highs, it finished marginally lower, down 0.6% in local currency (-3.9% in euros). In the wake of the local elections, portfolio flows from foreign investors showed see-saw dynamics - outflows in the first half of the month and inflows in the second half - for a net monthly inflow of USD 247 mn. In terms of macro backdrop, TCMB surprised positively with a 500 bp hike (to 50.0%) in March, making up for its decision to hold rates unchanged in February. Meanwhile, the inflation rate accelerated to 68.5% in March.

The Romanian BET gained 7.1%. All of the index-heavy sectors finished higher, with energy stock outperforming (+10.0%), followed by financials (+8.2%) and utilities (+6.9%). Previously communicated regulatory changes in the energy sector were adopted at the end of the month without additional surprises. Meanwhile, some companies in the sector announced generous dividends - up to 6.5% for Romgaz and 10.5% for Hidroelectrica - which improved market sentiment.

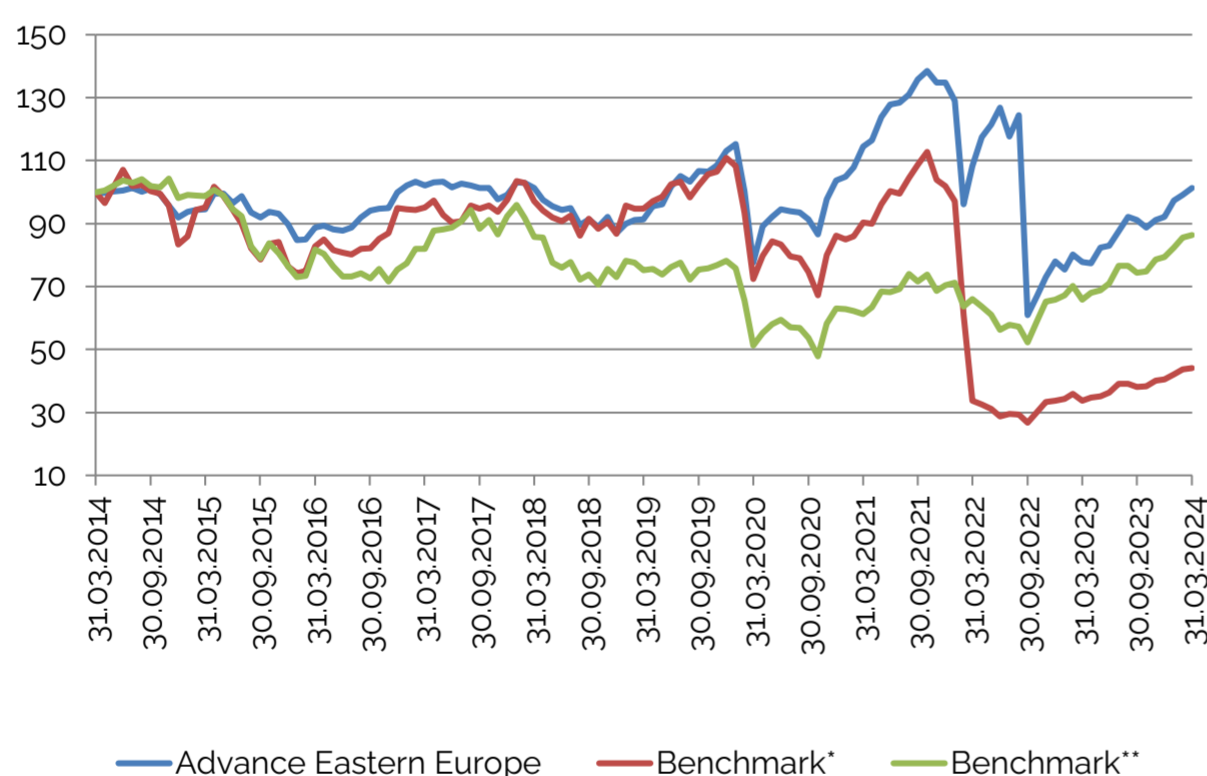
Class A shares of the Fund increased 2.4%. The Romanian and Bulgarian positions contributed relatively equally to the monthly return, while Greek and Turkish stocks were a slight drag. Sector-wise, tech had the highest positive contribution, followed by energy. At the same time, industrial names were the worst performing, with a marginally negative impact on the portfolio return.

Fund Facts	
Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.7 M
NAV/share	EUR 0.7902
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

Fund Identifiers	
ISIN	BG9000016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

Fund Results			
	Fund	Benchmark*	Benchmark**
1 month	2.38%	0.97%	0.97%
1 year	30.27%	30.98%	30.98%
Year to Date	10.16%	8.60%	8.60%
Since Launch (annualized)	-1.34%	-6.66%	-2.02%

Fund Performance 10Y



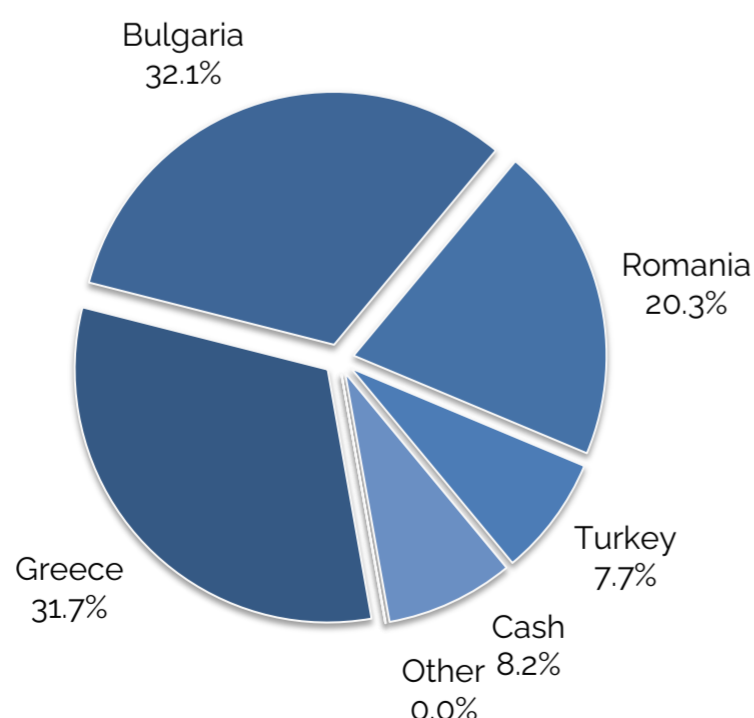
Annual Performance

	Fund	Benchmark*	Benchmark**
2023*	20.64%		
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-22.53%	-29.75%
2010	18.44%	21.65%	16.29%
2009	36.50%	73.42%	51.49%
2008	-61.94%	-66.63%	-56.45%
2007	25.91%	11.54%	20.71%

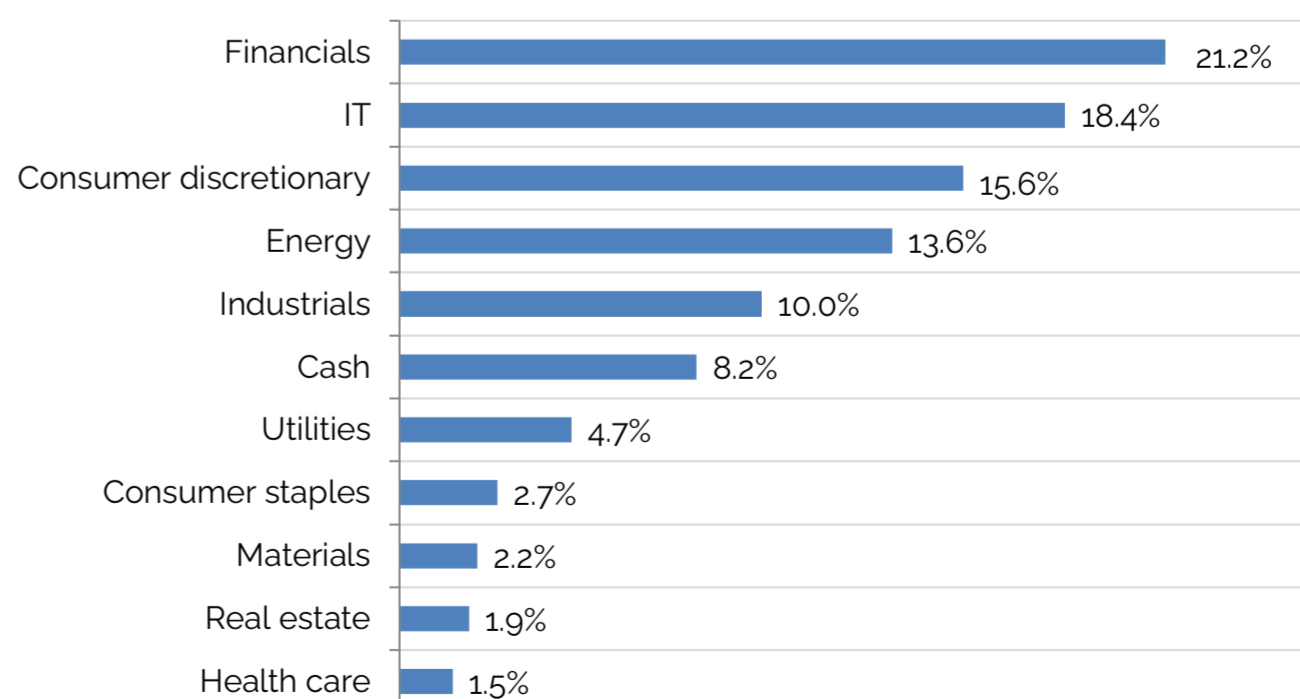
*Annual performance since 03.01.2023 when class A was started

Portfolio Breakdown

Market Breakdown



Sector Breakdown



TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT	Sirma Group, Bulgaria, IT	JUMBO SA, Greece, Consumer discretionary	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	Motor Oil Hellas Corinth Refineries S.A., Greece, Energy
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